

9 June 2026

To whom it may concern,

Re: Minimum energy performance standards for Tasmanian rental homes

Thank you for the opportunity to provide feedback on the *Modernising Tasmania's Residential Tenancy Act 1997* discussion paper.

The Energy Efficiency Council (EEC) is the peak body for energy management in Australia. Our members include technology suppliers, energy service providers, governments, education providers and NGOs that have come together to ensure Australia harnesses the power of efficiency, electrification, and demand flexibility to deliver a prosperous, equitable, net zero Australia.

This submission argues that **Tasmania should introduce minimum energy performance standards for rental homes**. Lack of comment on other items outlined in the discussion paper does not indicate an EEC position.

Poor energy performance is harming Tasmanian renters.

All Tasmanians should live in homes that are healthy, comfortable, and affordable to run. However, renters disproportionately live in homes with poor energy performance and thermal comfort, leaving them paying high energy bills and exposed to cold indoor temperatures in winter.

Poor energy performance is a structural feature of renting in Australia. Rental homes were found in one survey to be half as likely to have insulation as owner-occupied homes.¹ Another study found that renters pay on average 8% higher energy bills than owner occupiers in like-for-like homes as a result of the worse energy performance of rental homes.² An important driver of this unequal performance is understood to be the problem of split incentives for home energy upgrades: property owners are responsible for the upfront costs of energy efficiency upgrades and new fixed appliances, whereas the ongoing energy bill savings from improved energy efficiency accrue to renters.

Alongside the problem of elevated energy bill costs for Tasmanian renters, homes with poor energy performance lead to poor health outcomes. One temperature monitoring project

¹ Energy Consumers Australia 2025. *Consumer Energy Report Card*.

<https://energyconsumersaustralia.com.au/our-work/surveys/consumer-energy-report-card-data> (accessed 3/6/26)

² Best, Rohan and Paul J. Burke 2022. *Effects of renting on household energy expenditure: Evidence from Australia*. CCEP Working Paper 2202. https://crawford.anu.edu.au/sites/default/files/2025-03/ccep2202_best_burke.pdf (accessed 3/6/26)

within Tasmanian rental homes in winter found median indoor temperatures of just 14 degrees Celsius, and indoor temperatures below the World Health Organisation recommended minimum healthy indoor temperature of 18 degrees Celsius for over 22 hours a day.³ Thermal upgrades offer an important opportunity to make homes healthier: a Victorian study found that thermal efficiency upgrades to homes delivered significant improvements in health outcomes, with \$10 in health savings for every \$1 saved in energy.⁴

Implementing minimum energy performance standards for rental homes would deliver benefits to renters and the broader Tasmanian community.

Regulated minimum standards are a necessary response to the structural gap in incentives and are required to protect Tasmanian renters from the impacts of poorly performing homes. The Tasmanian Housing Strategy 2023-2043 notes that “Facilitating energy efficiency upgrades to existing housing across the housing spectrum, including rental stock, remains an important initiative.” There is a clear evidence base showing that minimum energy performance standards are required to achieve this outcome at scale.

Minimum energy performance standards for rental homes are already in place in other Australian and international jurisdictions. Victoria has introduced minimum energy performance standards including requirements for insulation, draught sealing, and efficient electric heating, cooling and hot water. The ACT has implemented minimum standards requiring insulation for rental homes. NSW is currently consulting on the introduction of standards based on features such as insulation or on performance-based NatHERS ratings.

International evidence shows that minimum energy performance standards for rental homes improve outcomes for renters without resulting in increased rental costs.⁵

Opportunities to improve home energy performance are well known and enjoy a mature market that is ready to accelerate. A range of products and services are available to ensure rental homes are healthy and energy efficient. Key thermal efficiency improvements can be delivered with insulation and draught sealing, with additional benefits available from improvements to features such as windows and ventilation. These improvements are a critical priority that are required to achieve healthy indoor temperatures without incurring additional energy costs.

Alongside the priority outcome of thermal efficiency, additional opportunities for home energy performance improvements are available through efficient electric appliances such as reverse cycle air conditioners, heat pump hot water systems and induction cooktops; and consumer energy resources such as solar and battery storage.

³ Better Renting 2023. *Winter Renter Researchers 2023*.

https://www.betterrenting.org.au/renter_researchers_winter_23 (accessed 3/6/26)

⁴ Sustainability Victoria 2022, Victorian Healthy Homes Program.

<https://www.sustainability.vic.gov.au/research-data-and-insights/research/research-reports/the-victorian-healthy-homes-program-research-findings> (accessed 3/6/26)

⁵ Fuerst, Franz, Xinyan Huang and Martin Sheppard 2026. “The impact of minimum energy efficiency standards on the private rental market.” *Energy Policy*, vol 210.

<https://doi.org/10.1016/j.enpol.2025.115039>

Additional measures can complement minimum energy performance standards

Beyond the operation of the Residential Tenancy Act 1997, minimum energy performance standards should be complemented by measures to facilitate a broader home upgrade market and ecosystem. Key objectives for complementary measures include:

- Access to information, home energy ratings, and referrals to accredited service providers and products
- Training, accreditation and certification of providers of key services and products, such as EEC Certified Insulation Installer certification for insulation upgrades
- Incentives and cost reductions through rebates or other finance
- Strong renter protections and enforcement
- Specific measures for households with additional complexity, such as strata managed properties
- Funding to undertake upgrades to social housing to ensure compliance with standards⁶

An ideal framework to achieve improved consumer outcomes would include the integration of minimum energy performance standards for rental homes with the mandatory disclosure of NatHERS ratings when homes are sold or leased, as under consideration currently in NSW.

Thank you for your consideration of this submission. For further information or to discuss any matter raised, please do not hesitate to contact me at jeremy.sung@eec.org.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jeremy Sung', with a stylized flourish at the end.

Jeremy Sung
Head of Policy
Energy Efficiency Council

⁶ For further information on available complementary measures to minimum standards, see EEC's 2024 analysis: <https://eec.org.au/publication/complementary-measures-to-minimum-rental-energy-performance-standards/>